

**THE
DEPARTMENT OF COMMERCE
BUDGET IN BRIEF**

FISCAL YEAR 2000

WILLIAM M. DALEY, SECRETARY

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FOREWORD

Place Photo of Secretary
Daley here

The FY 2000 budget that I am submitting supports our Administration's effort to lead America into the 21st century. Working with President Clinton and Vice President Gore, I have established seven priorities for the Commerce Department that will contribute directly to our Nation's economic well-being in FY 2000 and beyond:

- Conducting the most accurate Decennial Census possible
- Improving our oceanic and atmospheric environment
- Broadening trade and ensuring that more Americans share in the benefits of expanded trade
- Stimulating technological growth and innovation
- Assisting communities suffering from economic distress or natural disasters
- Maintaining and protecting our Nation's critical infrastructure, including cyberspace
- Managing the complex programs of the Commerce Department efficiently and with accountability

The "Budget in Brief" outlines the programs we propose to achieve these priorities and initiatives. These programs are presented both in the "Priorities and Initiatives" overview and in the detailed Bureau narratives. I welcome your support in helping us to accomplish this important mission.

William M. Daley
Secretary of Commerce

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FY 2000 COMMERCE BUDGET IN BRIEF

INTRODUCTION

ABOUT THE BUDGET IN BRIEF

This Budget in Brief provides an overview of the Department of Commerce's major programs, and it explains how they address the Nation's needs. It provides additional details describing our initiatives, priorities and programs in the President's Budget and identifies the resources we need to conduct them.

The Government Performance and Results Act (GPRA) mandates that each federal department produce an Annual Performance Plan (APP) and submit it to Congress with its budget submission in early February. This FY 2000 budget represents significant work by the Department of Commerce to integrate the Budget in Brief and the FY 2000 APP. This has enabled us to link performance measures and targets with the annual budget as intended by GPRA.

The Budget in Brief contains several sections. The Introduction highlights the Commerce Department's programmatic missions and describes how we support the President's agenda and the Administration's priorities. It also identifies the overall resource levels that we seek for FY 2000, describes the other elements that comprise our budget request, describes our specific initiatives and priorities for FY 2000 and provides a framework that links our strategic themes with our programs and goals.

Following the Introduction, each chapter provides a bureau-by-bureau description of our program activities, budget requests, and performance measures and targets. The last portion of the Budget in Brief contains additional summary and technical information and numbers, legislative requirements, and a glossary of terms.

The Budget in Brief is now available electronically through the Department of Commerce's website, at <http://www.doc.gov/bmi/budget>, and for the first time in CD-ROM format. The CD-ROM also contains the APP and the Department of Commerce's proposed FY 2000 budget in full

POLICY OVERVIEW

In FY 1998, for the first time in thirty years and only the ninth time since 1947, the federal Government recorded a surplus. Even though FY 1999 spending is projected to increase by approximately \$80 billion, the surplus is still expected to be approximately \$54 billion. America has created the longest peacetime economic expansion in our history - with nearly 18 million new jobs, wages rising at more than twice the rate of inflation, the highest home ownership in history, the smallest welfare roles in thirty years, and the lowest peacetime unemployment rate since 1957. This is good news for the Nation. It demonstrates that the Administration's strategy of creating jobs through increased trade, investment in technology, and controlling federal spending — seeking budget increases only for the highest priority investment programs with the best “return on investment” for America — has been a success. The Department of Commerce has played a critical role in the Administration's investment strategy over the past six years, and we intend to build on that track record in FY 2000. The Commerce Department's programs provide vital services to the Nation's families, businesses and industries, communities, universities and research organizations, and federal, state, and local governments.

The Department plays a key role in ensuring America's continued world-class leadership in science, technology, trade, and information. The Department implements programs that support R&D and promote the application of innovative technologies to aid the commercialization of business processes; protect life and physical and intellectual property, manage natural resources and provide important information about the environment; expand opportunities in the international marketplace, while maintaining national security, through export licensing; provide management and technical assistance to minority businesses and economically distressed areas; and collect and disseminate economic and demographic data and environmental information used by private and public sector policymakers to measure our national economic well-being.

The Commerce Department is also the foremost provider of statistical information in the U.S. Government. Through its satellite and weather programs, oceans and atmospheric research, trade agencies, the Patent and Trademark Office, and the Census Bureau, Commerce provides vital information on the Nation's weather, fish and marine life and natural disasters; economic statistics; trade statistics; and information on how Americans live, work, travel, invent and invest.

NOTE: Where dollar amounts are shown, these reflect program increases

THE FY 2000 BUDGET

In FY 1999, the Bureau of the Census is beginning to expand its resources (both funding and employees) in preparation for the Constitutionally-mandated year 2000 Census. In FY 1999, Commerce is also continuing its commitment to the health and sustainability of our oceans. In particular, the National Oceanic and Atmospheric Administration (NOAA) is focusing on improving the quality of coastal waters, protecting and restoring habitat for marine resources, rebuilding our Nation's fisheries including the use of aquaculture technology, understanding and predicting the role of the oceans as a driver of global climate, making marine transportation safer and more efficient, and building awareness of the importance of the oceans in our lives. Our FY 2000 efforts will build on this foundation.

America's small and medium-sized businesses are the heart of the Nation's economy and the main beneficiaries for many Commerce programs. We have provided technical help and information to these businesses, enabling them to grow and to help fuel the American economy during the past five years. This assistance ranges from advances in telecommunications — critically important to the thousands of small businesses that are run from home or small offices — to high-tech processes so necessary for medium-sized businesses' capacity to produce new products on a large scale.

The Department of Commerce plays key advocacy and market development roles in the Nation's exporting and international trade activities. Fulfilling our leadership role with the Trade Promotion Coordinating Committee, we are pressing the National Export Strategy into areas that will help keep America a successful competitor in the global marketplace.

The economic development assistance that the Commerce Department provides to communities across the Nation helps them attract industry, recover from natural and economic disasters, and build their infrastructure. This type of strategic economic development assistance is vital to support sustainable economic opportunities for distressed communities across the Nation in the 21st Century.

The Nation's capacity to produce jobs, support the growth of business and industry, and sustain communities is also affected by the forces of nature. The National Weather Service works to help provide Americans with the information they need to protect their lives, their property and their businesses. Other Commerce programs, like our support for coastal communities, and our air and water research, help ensure that the Nation will continue to enjoy a healthy natural environment that is a key prerequisite for our well-being and economic growth.

The FY 2000 budget request for the Department of Commerce is \$7.271 billion, an increase of \$2.131 billion (or 41%) over the FY 1999 level of \$5.140 billion. The Decennial Census (for which we are requesting an increase of \$1.771 billion above the FY 1999 appropriated level of \$1.058 billion) accounts for the majority of this increase, with selected, other high-priority initiatives responsible for the rest. Full-Time Equivalent (FTE) employment in FY 2000 will be 92,844, up from the FY 1999 level of 47,677, an increase of 45,167. This increase is almost exclusively due to the Decennial Census, which will increase Commerce employment by 44,749 FTE. Fee-funded patent and trademark examiners comprise most of the remainder.

Our FY 2000 budget request consists of several elements:

- this [Budget in Brief](#), which summarizes our FY 2000 request;
- the more extensive [bureau-by-bureau budget justifications](#), which lay out the details of the Administration's plans for the Department and its programs for FY 1999;
- the [Commerce Strategic Plan](#), which covers the 5-year planning horizon of FY 1997-2002 and which sets the context within which our FY 2000 activities play a part; and
- the [Annual Performance Plan](#), which identifies the program goals, specific performance measures and targets that we will use to ensure effective and efficient use of our resources in FY 2000. The [Annual Performance Plan](#) is a new, increasingly integrated part of the budget process and provides a link between the Congressional budget request and the Commerce Department Strategic Plan.

Priorities and Initiatives

For FY 2000, the Administration has established seven key priorities that address the Nation's most critical and timely needs, and do so within the limitations of a balanced budget. Commerce FY 2000 initiatives supporting these Administration priorities provide continuing benefits to our Nation's communities, businesses and families.

The Administration priorities and initiatives cut across the Department of Commerce bureaus. These priorities and initiatives are presented below, and their key elements are discussed later in this [Budget in Brief](#).

- Decennial Census and Other Statistical Programs
- Oceans and Atmosphere
- Broadening Trade
- Technology for Economic Growth
- Assisting Distressed Communities
- Critical Infrastructure Protection
- Key Management Initiatives

The FY 2000 Budget Request seeks base program funding and modest new investments that will best advance the Administration's priorities and ensure adequate funding for the Department's unique and special missions.

Decennial Census and Other Statistical Programs

This budget was developed before the recent Supreme Court ruling and assumes the use of sampling in the 2000 Census. Under that assumption, we are requesting a total Decennial budget of \$2.8 billion, a \$1.78 billion increase above FY 1999 for census implementation and associated audits. The Census Bureau will develop a plan in light of the Supreme Court ruling and estimates of any associated costs. This plan will include the use of statistical methods, as appropriate, to provide the most accurate census data possible.

Implementing the most accurate Decennial Census in history is among the highest priorities for the Department in FY 2000. In 1991, Congress directed the National Academy of Sciences to propose methods that would improve accuracy at acceptable cost. After several years of study, the Academy found that no amount of money spent on traditional methods could achieve satisfactory accuracy. The Academy recommended that traditional methods be complemented with scientific sampling along the lines that the Census Bureau adopted for 2000.

The Decennial Census Initiative also provides funding for the Continuous Measurement (CM) program, the major component of which is the American Community Survey (ACS). The Nation makes decisions every day, not every ten years. CM-ACS will replace the cumbersome long form in the 2010 Decennial Census and make local level data available every year, as needed for federal programs, community planning, and economic development. The total cost is approximately the same as doing the long form in the Decennial Census and reduces the cyclical nature of the Decennial budget over the decade. Two other Census programs designed to improve the Nation's Statistical Infrastructure Initiative are improving the measurement of poverty and GDP.

We are requesting an increase of \$4.5 million for FY 2000 to support improvements in the Bureau of Economic Analysis (BEA) economic accounts. This initiative will allow BEA to resolve a wide range of significant concerns about our key economic data. The discrepancy between our product-side (GDP) and income-side (Gross Domestic Income) measures, for example, makes it difficult to assess the Nation's level of

productivity and whether the economic expansion can be sustained without renewing inflationary pressures. Core institutions in this country — ranging from the Federal Reserve System to major employers to small investors in financial markets — are at risk in the absence of relevant, accurate, and timely information. This initiative will also allow the BEA to update and expand its coverage of high-tech goods and services, improve its inflation measures, expand measures of labor compensation, and update its treatment of investments in capital stock, including computer software. An increase of \$500,000 is also requested for the International Trade Administration enhancement of travel and tourism statistics.

Oceans and Atmosphere — Natural Resources and the Environment

The Department of Commerce through the National Oceanic and Atmospheric Administration (NOAA), plays a key role in managing America's natural resources and protecting our environment and our people from global warming, drought, floods, and storms. From weather forecasting, to fisheries management to combating *pfisteria*, Commerce stands ready to build on its range of successful programs that expand our understanding of our environment and now to respond to weather challenges.

For FY 2000, Commerce is proposing initiatives that support NOAA programs in two broad areas. First, Commerce supports the Natural Resources Initiative which includes initiatives that make up Ocean 2000 and Climate in the 21st Century, and second, the Natural Disaster Reduction Initiative.

Ocean 2000

Ocean and coastal resources are vitally important to our Nation's coastal and regional communities and to the Nation as a whole. One-third of the U.S. Gross Domestic Product and one-half of the Nation's jobs are sustained in coastal zones. With increasing national attention to the value of the ocean and its resources, the Ocean 2000 Initiative provides the Department of Commerce with integrated programs designed to capitalize on sustainable use of the ocean's resources.

This Initiative contains several new and ongoing efforts, including the Lands Legacy Initiative totaling \$105 million, unveiled by President Clinton in his 1999 State of the Union address. NOAA programs under the Lands Legacy Initiative include funds to maintain and enhance programs that protect and manage our coastal areas, including funds for environmentally sound coastal dredging and restoration; coral reef restoration; coastal zone management grants; and enhanced and expanded National Marine Sanctuaries and Estuarine Research Reserves. The Lands Legacy Initiative will also promote sound economic conservation of our fishery resources, with funds to restore fisheries habitat.

Closely linked to the Lands Legacy program are programs to further Resource Protection (\$131.3 million) and to implement Endangered Species Act recovery plans ; and to provide grants to the states of Washington, Oregon, California and Alaska to develop cooperative conservation plans for Pacific Coastal Salmon Recovery (\$100 million).

The Ocean 2000 Initiative also continues support for the Administration's \$22 million Clean Water Initiative. Programs under this Initiative will provide for research, monitoring, and technical support to states to address polluted runoff and continued outbreaks of harmful algal blooms. The 1998 Year of the Ocean Conference outlined an agenda that calls for investments to protect America's interests in the marine environment and its resources. Year of the Ocean programs include enhanced marine navigation safety; coral reef restoration; examination of deep-sea marine species; better standards for aquaculture; fisheries stock assessment, conservation and management; and a new fishery research vessel (\$78.1 million).

The South Florida Initiative, another element of the Ocean 2000 Initiative, strives to lessen the human impact on our important coastal resources. The South Florida Initiative continues NOAA's work on this interagency effort to halt the degradation and restore the functions of the South Florida ecosystem (\$1.6 million).

Together, the Ocean 2000 programs will enable Commerce to encourage sustainable fisheries development as it works through NOAA to reduce overfishing and overcapitalization of the Nation's fishery resources; better manage the crisis of salvaging protected resources, including salmon, monk seals, right whales, and leatherback and loggerhead turtles; protect coastal habitats from continued loss and degradation; conduct more research into the effects of climate changes on the oceans and atmosphere; and promote safe navigation.

Climate in the 21st Century

Climate has emerged as one of the most critical environmental issues facing the United States. The urgency and demand for climate science information by decision-makers and the public is accelerating. For this reason, as the Department prepares to enter the 21st century, NOAA requests an increase of \$19.1 million as part of the Natural Resources Initiative to meet the Nation's climate service and research needs. As part of this increase NOAA will expand climate research by acquiring the latest supercomputer technology to advance the climate models, as well as researching forcing agents and other modes of variability. Specific deliverables of this initiative are discussed in detail within the budget requests for NOAA's two climate portfolios, Predict and Assess Decadal to Centennial Change and Implement Seasonal to Interannual Climate Forecasts.

Related to this research but captured under the Year of the Ocean initiative is NOAA's request for \$4.0 million to launch

1000 autonomous profiling floats in the Atlantic and Pacific Oceans that will provide real-time, basin-wide measurements to help produce for the first time "weather maps" of the upper ocean and the associated seasonal cycles. This initiative was announced at last year's National Oceans Conference and is set out under the Year of the Ocean Crosscutting Initiative.

Natural Disaster Reduction Initiative

Natural disasters resulting from severe weather (hurricanes, tornadoes, winter storms, droughts and floods) or geophysical activity (volcanoes, earthquakes, and tsunamis) threaten lives, property and the stability of local and regional economies throughout the United States. While science has yet to control the forces of nature and the \$50 billion annual devastation of American communities, workplaces, and homes, we as a Nation can do three things: move out of harm's way, keep out of harm's way, and promote long-term recovery. It is essential that we first improve the predictions and warnings that allow people to move out of harm's way in the face of impending disasters and to keep them out of harm's way through the design of more resilient, sustainable communities. Commerce's FY 2000 Natural Disaster Reduction Initiative requests \$42.1 million in net NOAA program increases and includes funding increases for the final stages of Weather Service modernization and continued progress in procuring satellite technology. This funding will enable the Department to implement the second-year component of its overall strategy to reduce the impacts of extreme natural events. The Economic Development Administration and the National Institute of Standards and Technology will continue Natural Disaster Reduction Initiative support using FY 2000 base resources at the FY 1999 level.

Through the effective crosscutting partnerships that NOAA has formed with local officials, Commerce works with the public and private sectors to save lives, protect property and minimize business disruption in the face of natural disasters. NOAA contributes to this partnership by providing weather warnings and forecasts to the general public via the National Weather Service (NWS), by acquiring and processing hydro-meteorological, ocean and space-based observations, conducting weather and climate research and maintaining historical environmental data and making it available to public and private concerns. NOAA's National Environmental Satellite, Data and Information Service (NESDIS) manages the operational satellites and NOAA's environmental data collection, providing critical data inputs to NWS forecasts and warning. All efforts are designed to reduce the impacts of natural extremes on all time scales, ranging from the very short (e.g., tornadoes, flash floods, and hurricanes) to the very long (e.g., climate variability in storm intensity and frequency, and droughts and floods). Thus, NOAA's range of products and services is essential to both preparing for the long-term risks of hazards as well as the immediate threat to people and property.

Broadening Trade

The Broadening Trade Initiative (\$26.9 million) seeks to strengthen the domestic and international infrastructure necessary for American firms to conduct business in the global marketplace. It is a comprehensive strategy designed to enhance America's global competitiveness by building a stronger consensus for U.S. trade policies and export promotion; ensuring aggressive trade compliance; focusing on developing business in traditionally under-served regions such as Latin America and Africa; and working to establish the commercial infrastructure (financial, legal, measurement and standards, and intellectual property rights) needed in emerging economies to promote trade and long-term growth.

The Department also continues in its efforts to more closely align trade objectives with other policy goals. Trade and investment flows can play a significant role in supporting peace through sustained economic growth and stability. Secretary Daley led a business development mission last year to Northern Ireland, and has already traveled four times to Africa and twice to the Middle East to advance these efforts. The Department also has played a key role in defining the Nation's position for the Kyoto Climate Change Negotiations and continues to monitor the trade effects of various Multilateral Environmental Agreements, reflecting the Administration's concern with climate change and sustainable development.

The Department will capitalize on the long-term potential of under-served markets, without sacrificing traditional trade relationships, by expanding its presence in such areas as Sub-Saharan Africa, Latin America, and the Asia-Pacific region. The International Trade Administration will lead these efforts. The National Institute of Standards and Technology (NIST) will focus on the removal of standard-related trade barriers. The National Telecommunications and Information Administration (NTIA) will work with developing countries to implement the pro-competitive regulatory principles adopted by the World Trade Organization (WTO) including in the WTO's agreement on Basic Telecommunications. Additionally, the Bureau of Export Administration (BXA) will focus on screening pre-export notifications and post shipment verifications of high performance computers; conducting overseas end-use checks; administering Chemical Weapons Convention (CWC) declaration processing, and performing on-site inspections.

Technology for Economic Growth

The President's State of the Union Message reaffirmed the national priorities of maintaining the U.S. technology lead and expanding to more Americans in the benefits of America's dynamic, competitive, job-creating economy. The Department's FY 2000 budget request contains several increases and initiatives in support of these national goals.

NTIA's Telecommunications and Information Infrastructure Assistance Program (TIIAP) provides matching grants to non-

profit organizations and state, local, and tribal governments to demonstrate creative uses of information technology that provide educational, health, safety, and other community services. The program funds model projects - projects that other communities can emulate and replicate.

Building upon TIIAP and supporting the Administration's Next Generation Internet (NGI) efforts, NTIA requests funding for the Information Infrastructure grants program. The program would provide matching funds for planning grants to nonprofit organizations and state, local, and tribal governments to put them in a position to quickly utilize the capabilities of the Next Generation Internet when it becomes available.

The Public Telecommunications Facilities Planning and Construction Program provides matching grants to local communities for the planning and construction of telecommunications (mainly broadcasting) facilities that provide educational and cultural service to the public. NTIA requests additional funding to assist public broadcasters with a timely transition to digital broadcasting. The program will provide competitive grants to purchase basic digital transmission equipment and to encourage the development of innovative, replicable applications of new services made possible by digital broadcasting.

The Commerce FY 2000 budget request also includes an increase of \$55 million for a contract award to begin construction of NIST's Advance Measurement Laboratory (AML). This facility will provide NIST with the temperature, humidity, vibration and air cleanliness required to perform cutting-edge research in the 21st century. NIST will establish a program to improve the quality of science education through its Teacher Science and Technology Enhancement Program.

These initiatives will complement proposed increases in selected Commerce base programs that support development in adoption of new technology.

We are also recommending that NIST's Advanced Technology Program (ATP) be increased by \$34.5 million in FY 2000. The proposed increase supports a major goal of the Department and the Administration: to stimulate U.S. economic growth by developing high-risk and enabling technologies through industry-driven cost-shared partnerships. In FY 2000, NIST's Manufacturing Extension Program (MEP) will increase the resources devoted to gathering and disseminating best practices to all NIST-MEP manufacturing extension centers. At the same time, we propose a one-time decrease is being proposed in recognition that as the nationwide center network matures, the federal cost share is reduced according to plan.

The Commerce FY 2000 budget request includes increases of more than \$100 million for the Patent and Trademark Business, Policy and Information Dissemination activities. These additional resources are fully funded by user fees and will increase staffing and expand existing workplace electronic

systems to meet projected growth in workload.

Assisting Distressed Communities

The Economic Development Administration (EDA) helps distressed communities overcome barriers that inhibit the growth of their local economies and limit their ability to compete regionally, nationally, and globally. Our foremost objective is to create a climate conducive to the development of private enterprise in America's distressed communities. Using EDA's highly flexible programs for public infrastructure, revolving loan funds, planning, technical assistance, and research, distressed communities create jobs and stimulate growth. These program tools, used together, can help prepare communities for rapidly changing technologies and global competition.

As part of its Economic Adjustment Assistance Program, the Department of Commerce will assist distressed communities recovering from sudden and/or severe economic downturns such as, those caused by increased foreign imports, industry downsizings, plant closings, environmental regulation, and natural disasters. Among other activities, this program will assist communities in the Northeast region with economic diversification and financial restructuring necessitated by federal restrictions imposed on the fisheries industry. Commerce proposes a \$20 million increase for this program in FY 2000.

Critical Infrastructure Program

President Clinton signed the Presidential Decision Directive (PDD-63) establishing the interagency Critical Infrastructure Program (CIP) to protect the Nation's critical infrastructures. Critical infrastructures are those physical entities and cyber-based systems essential to the minimum operations of the economy and government and include telecommunications, energy, banking and finance, transportation, water systems and emergency services, both public and private. The PDD calls for the creation of a National Infrastructure Assurance Plan over the next three years to raise defenses primarily against cyber, but also physical attack. In order to craft a comprehensive plan, federal agencies need to form strong partnerships with the private sector, which owns and maintains an estimated 90% of those critical entities vulnerable to attack.

The Commerce Department has been assigned two components of the CIP: the Critical Infrastructure Assurance Office (CIAO) and the Lead Agency role for the information and communications (I&C) sector. The CIAO, an interagency office housed within the Bureau of Export Administration (BXA), will provide support to the National Security Council National Coordinator's work with government agencies and the private sector in developing a national plan for protecting critical infrastructure. NTIA will serve as the lead agency for the I&C sector and, along with the National Institute for Standards and Technology (NIST), will carry out the research needed for I&C. The CIAO is funded at \$6 million in FY 1999. Commerce's

FY 2000 Secretarial Initiative requests program increases of \$7.3 million for NIST and NTIA Critical Infrastructure Protection.

Key Management Initiatives

The President's State of the Union Message noted the importance of building a fiscally responsible and effective government for the information age. Under the leadership of Secretary Daley, Commerce has made management reform a top priority. Building on the improvements in management and systems achieved to date, Commerce is proposing three management initiatives for FY 2000, requiring an investment of \$6.1 million.

Digital Department

Modernizing the Department's information technology infrastructure will expand the range of electronic options available to each bureau, establish Department-wide systems, and enable Commerce to process and provide information in the most convenient media for its customers. Creating a Digital Department, a jointly funded effort through the Working Capital Fund, will consist of:

- Creating a fiber optic backbone and unified network architecture for the Herbert C. Hoover Building and all other bureau buildings;
- Consolidating telecommunications infrastructure across bureaus;
- Creating a central operations office run by one bureau providing service to the full Department; and
- Creating a smart-card based physical and information security access program.

Clean Financial Audits

The Chief Financial Officers Act of 1990 (CFO Act) and the Government Management Reform Act of 1994 (GMRA) were designed to improve overall financial management practices of federal agencies. The Department's ability to produce reliable information on the costs of federal programs and activities requires an internal control structure that provides management with assurance that transactions are executed in compliance with the laws, regulations, and any other guidelines that affect financial statements. This initiative will target specific problems and work to ensure the integrity of the Department's financial statements, thereby resulting in the attainment of 100% unqualified financial audit opinions. The increase will also help to provide an integrated financial management system to comply with federal accounting practices.

PTO as a Performance Based Organization

As part of the Administration's efforts to make government work better and cost less, this legislative initiative will enable the Patent and Trademark Office (PTO) to become a Performance Based Organization (PBO) capable of delivering services to its customers on a level comparable with the private sector. A PBO structure will remove current federally imposed administrative burdens that prevent it from operating more effectively.

The PTO's role in protecting and promoting the use of intellectual property rights through issuance of patents and trademarks is a key component of the Department's efforts to help American businesses compete successfully in the technology-based global economy. PTO must become more efficient in providing its services as product life-cycles become shorter.

PTO meets the threshold requirements for becoming a PBO. It is revenue-producing and self-sustaining; involved in a large number of business-type transactions with the public; and capable of responding to the needs of a growing market for its services. Becoming a PBO would build upon PTO's current efforts to reduce processing time for patents, trademarks, and information dissemination requests by enhancing production; increase customer satisfaction through service quality improvement; increase organizational efficiency and effectiveness through consolidation of PTO office space; and enhance executive direction and policy support functions.

STRATEGIC PLANNING AND THE FY 2000 BUDGET: COMMERCE SETS A CONTEXT FOR THE FUTURE

The Government Performance and Results Act (GPRA) requires that agencies develop strategic plans that contain goals, objectives, and performance measures for all major programs. The Department of Commerce has embarked on an effort to capitalize on the synergy between our programs and to implement a Strategic Plan and an Annual Performance Plan that respond to these Congressional and stakeholder concerns.

Our Mission Statement and three Strategic Themes are:

The Department of Commerce promotes job creation, economic growth, sustainable development, and improved living standards for all Americans by working in partnership with businesses, universities, communities, and workers to:

Theme 1. Build for the future and promote U.S. competitiveness in the global marketplace by strengthening and safeguarding the Nation's economic infrastructure. (Economic Infrastructure Theme.)

Theme 2. Keep America competitive with cutting-edge

science and technology and a world-class information base. (Science, Technology, and Information Theme.)

Theme 3. Provide effective management and stewardship of the Nation's resources and assets to ensure sustainable economic opportunity. (Resources/Assets and Management/Stewardship Theme.)

A key advantage of our Strategic Plan's structure is its flexibility, based on the recognition that some programs can have dual applications. For example, some technology programs can be cited under Theme 1 because they support the expansion of the economic infrastructure, as well as Theme 2, because they focus on technological innovation. Similarly, the content and application of patentable new scientific and technological discoveries fall under Theme 2, but the protection of the rights to this intellectual property — an important National asset — makes these programs part of Theme 3 as well.

Under the Secretary's leadership, the Department of Commerce is using its Strategic Plan to establish a context for the future. To pursue the Commerce mission, and to ensure the success of the three Strategic Themes, we need new insights, new information, and application of new technology, all brought together in a unique way. As America moves into the 21st century, the capabilities of and services delivered by the Department will be key to our domestic security and global competitiveness. Commerce is the only federal department whose structure encourages the integration of economics, trade and business development, environmental stewardship and technology and information. The integrated whole is far more powerful on behalf of the Nation than the sum of these separate parts.

The Themes within the Commerce Strategic Plan help identify and capitalize on relationships among bureaus and on partnerships with other agencies and external groups. The Strategic Plan supports the concept that strong working relationships will serve to strengthen the effectiveness of the Department as a whole, as well as demonstrate how individual bureaus logically and critically support the core mission of the Department.

The Commerce Strategic Plan provides the framework for strengthening existing relationships among bureaus and with external partners. Success for Commerce programs in the changing technological world and global economy will depend increasingly on alliances with businesses and industry, universities, State and local governments, and international parties. Partnerships promote the leveraging of resources and talent and often provide the means for meeting program requirements more effectively because of the mutual benefits involved. Partnerships will also be key to help establish performance measures or goals where one agency lacks com-

plete authority over the activities or policies that lead to a particular outcome. Partnerships with other agencies or entities make shared outcomes more achievable and enable broader societal goals to be met more effectively.

OVERVIEW: LINKING OUR PRIORITIES & INITIATIVES, STRATEGIC PLAN, ANNUAL PERFORMANCE PLAN, AND FY 2000 REQUEST

The Administration priorities discussed above complement the Secretarial Initiatives and the Strategic Themes and their underlying goals and performance measures. The linkages between the Administration priorities, the Secretarial Initiatives, and the Strategic Themes are explained in the thematic discussions which follow.

FY 2000 ADMINISTRATION PRIORITIES AND COMMERCE STRATEGIC THEMES

These Strategic Themes are interdependent and help underscore how our programs serve the Nation. Examples of this, and of how the Strategic Plan's program goals and performance measures are supported through the FY 2000 budget request, are discussed in the bureau-specific chapters of this [Budget in Brief](#).

IMPLEMENTING THEME 1: SUPPORT FOR THE NATION'S INFRASTRUCTURE

The Nation's [Economic Infrastructure](#) is defined broadly in the Strategic Plan reflecting Commerce's comprehensive mandates. Under this Theme, Commerce is concerned with the issues surrounding our domestic and international trading capacities, our Nation's job-creation capacities, our support for minority business, our leading technological innovation and improvements in production (and our protection of those new ideas), the economic health of our communities, our information infrastructure, and the provision of environmental predictions essential to protecting life and property.

The following FY 2000 Administration priorities are related to Theme 1:

- Decennial Census and Other Statistical Programs
- Broadening Trade
- Technology for Economic Growth
- Assisting Distressed Communities
- Critical Infrastructure Protection
- Key Management Initiatives

These initiatives build upon the Department of Commerce's existing commitments and efforts to opening and expanding foreign markets for U.S. goods and services and improving America's export performance. We are also committed to improving coordination and planning among federal export

promotion programs and to reducing or eliminating unnecessary obstacles to private sector exports. In addition, Commerce actively promotes initiatives supporting development of the National Information Infrastructure, expansion of economic development and planning assistance to distressed areas, and expedited technology transfer to private sector users.

The current activities conducted or supported by the Department of Commerce under Theme 1 are not confined to domestic or international trade. Commerce's overall focus is on the Nation's economic infrastructure — the farms, factories, small- and medium-size businesses, and universities that make up our economy and provide jobs for millions of Americans. Commerce programs combine to result directly in job creation and economic efficiency — through promoting trade, developing and protecting technological advances in production and communication — and in supporting job creation by leveraging capital and other resources, and providing needed information, physical resources, and environmental prediction.

Each Commerce goal is a medium- to long-term effort we will pursue through shorter-term, measurable objectives. Progress in meeting these objectives will be shown in specific annual accomplishments (or performance measures).

IMPLEMENTING THEME 2: SUPPORT FOR THE NATION'S SCIENCE, TECHNOLOGY, AND INFORMATION INITIATIVES

The issues underlying Theme 2 — [Science/ Technology/ Information](#) — have grown in importance as science and technology have become increasingly pervasive in our society. Under Theme 2, we set national policy and examine issues of technological development and innovation, conduct scientific studies and data analysis leading to longer-range environmental predictions, provide information-based support to U.S. business and relating to international trade (ranging from the Decennial Census to specific market analysis), focus on the radio frequency spectrum and technological ways in which broadcasting is conducted, and conduct scientific and technical research in support of national needs.

The following FY 2000 Administration priorities are related to Theme 2:

- Decennial Census and Other Statistical Programs
- Oceans and Atmosphere
- Broadening Trade
- Technology for Economic Growth
- Critical Infrastructure Protection
- Key Management Initiatives

Maintaining cutting-edge science and technology and a world-class information base are critical to keeping America com-

petitive. Commerce bureaus work in concert to carry out this strategy and, in so doing, support the Departmental mission to promote job creation, economic growth, sustainable development, and improved living standards for all Americans.

Promoting the application of cutting-edge science and technology by American businesses in their daily operation is critical to strengthening the international competitive position of American firms. Commerce programs support R&D and promote the application of innovative technologies to commercialization of business processes; ensure protection of intellectual property; expand opportunities in international markets through export licensing; provide management and technical support to small- and medium-sized businesses and to economically distressed areas; and, collect and disseminate economic data and environmental information used by private and public sector policy makers to measure our Nation's economic well-being.

IMPLEMENTING THEME 3: SUPPORT FOR THE NATION'S RESOURCE MANAGEMENT AND STEWARDSHIP RESPONSIBILITIES

The Resource/Asset Management/Stewardship activities under Theme 3 encompass several diverse Commerce Department responsibilities. Under a series of legislative mandates Commerce has both direct and indirect management responsibilities for specific national resources, and stewardship responsibilities to ensure the optimum use of national assets. For example, Theme 3 focuses on intangible resources and assets — we grant access rights to intellectual property and to portions of the radio frequency spectrum. But at the same time, within Theme 3, Commerce has direct responsibilities for fishery management activities, recovering protected spe-

cies, and the sustainable use and development of coastal resources. Under this Theme, Commerce is also concerned with the assets presented by closed military bases, and how best those assets can be converted for effective use by the local community.

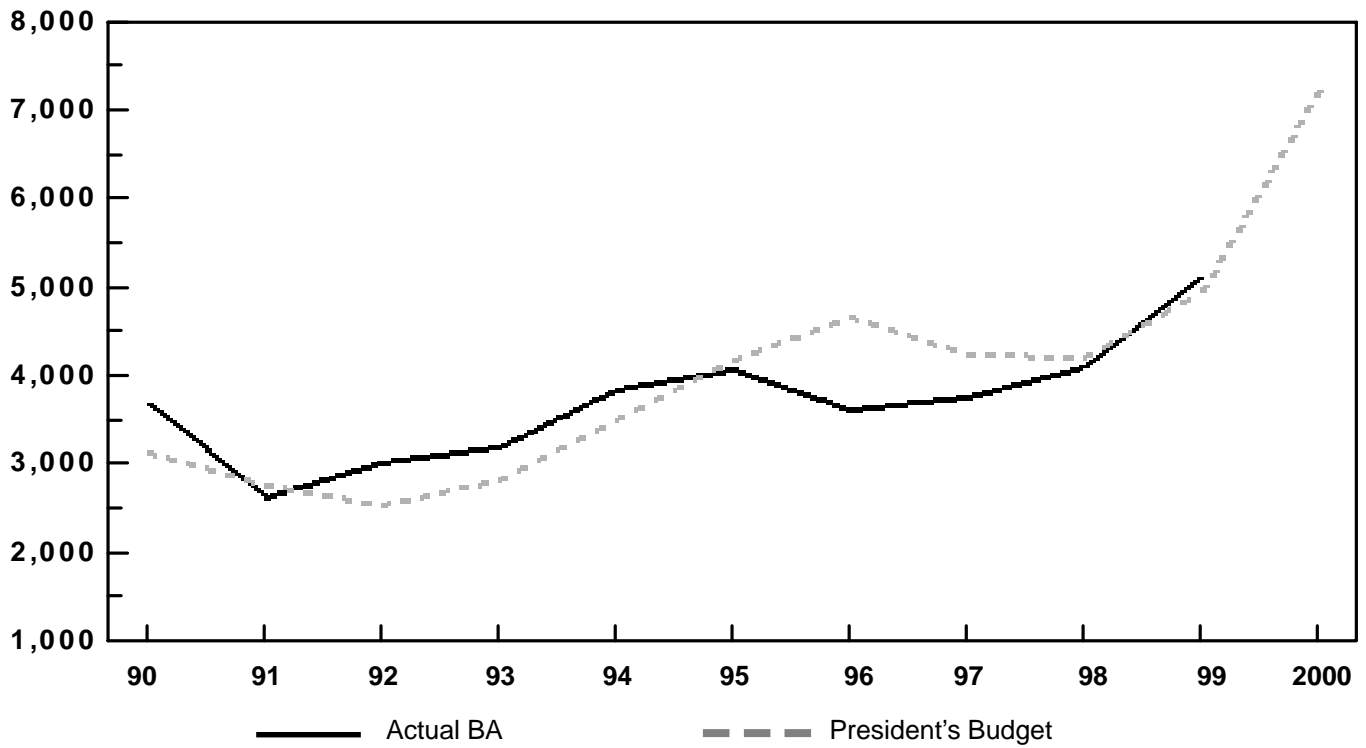
The following FY 2000 Administration priorities are related to Theme 3:

- Oceans and Atmosphere
- Technology for Economic Growth
- Assisting Distressed Communities
- Key Management Initiatives

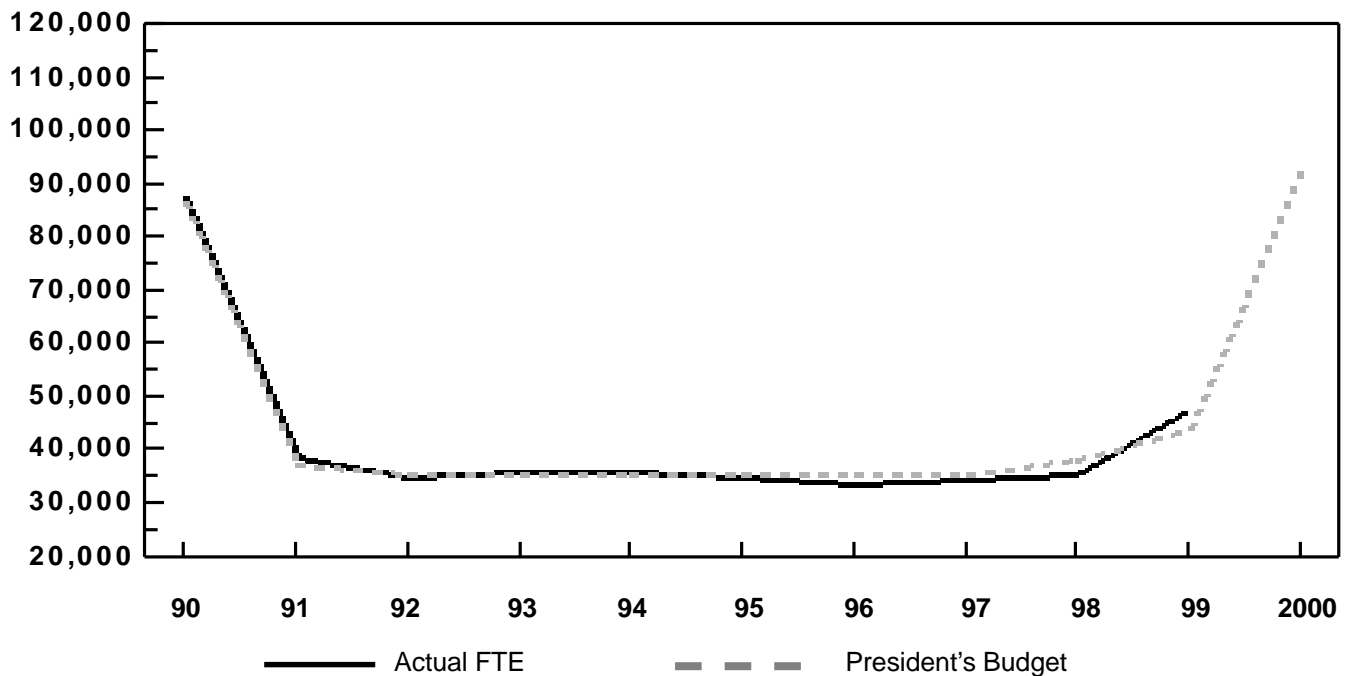
These priorities build on the significant role that the Department of Commerce already plays in the management of our national resources. We are committed to ensuring that the economic benefits of these resources are available, on a sustainable basis, to the entire Nation. Departmental initiatives promote community and individual use of our national assets to ensure continuing increases in the economic well-being of the Nation.

The Department of Commerce has a diverse role in the management of our national resources. Illustrating this diversity in its resource management role, the Department of Commerce provides economic adjustment assistance to communities affected by military base closures and defense facility downsizing, implements competitive grant programs supporting the development of the National Information Infrastructure, and manages the granting of intellectual property rights, the use of the radio frequency spectrum, and ocean and coastal resources.

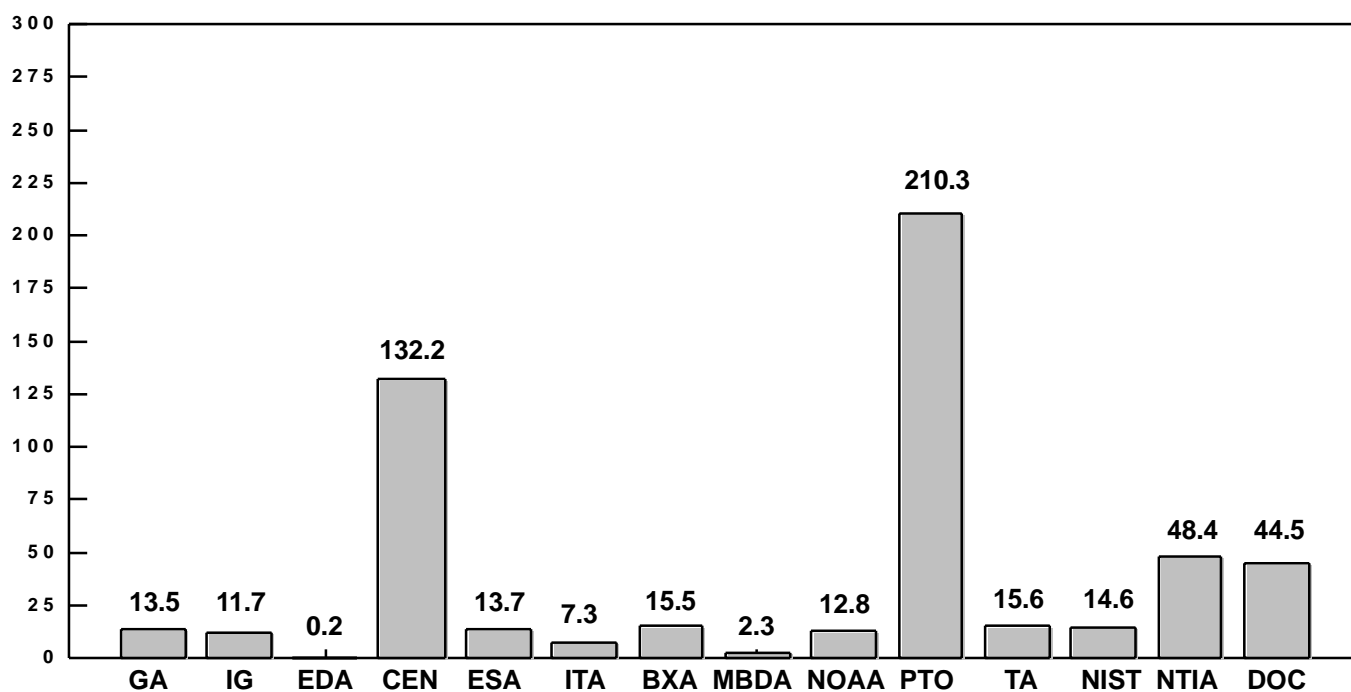
Department of Commerce
Budget Authority
FY 1990 - FY 2000



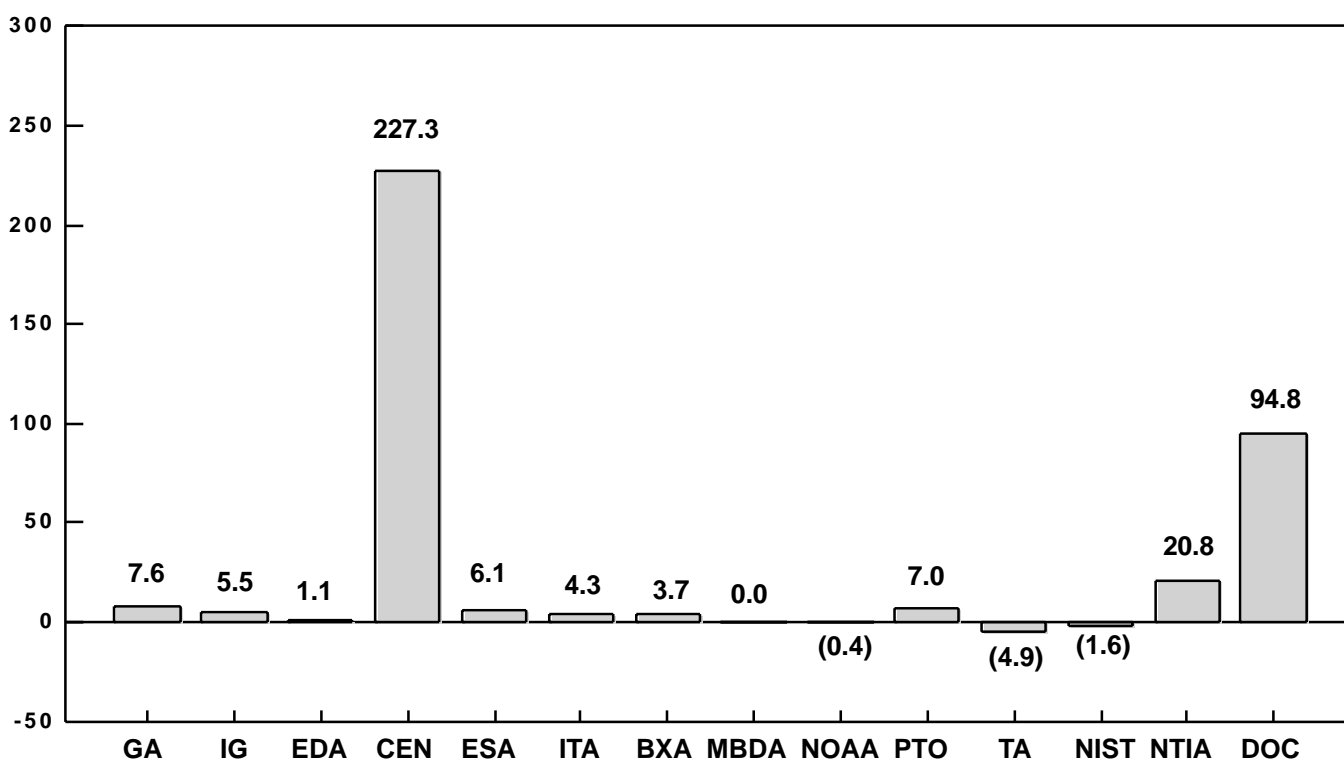
Department of Commerce
FTE Employment
FY 1990 - FY 2000



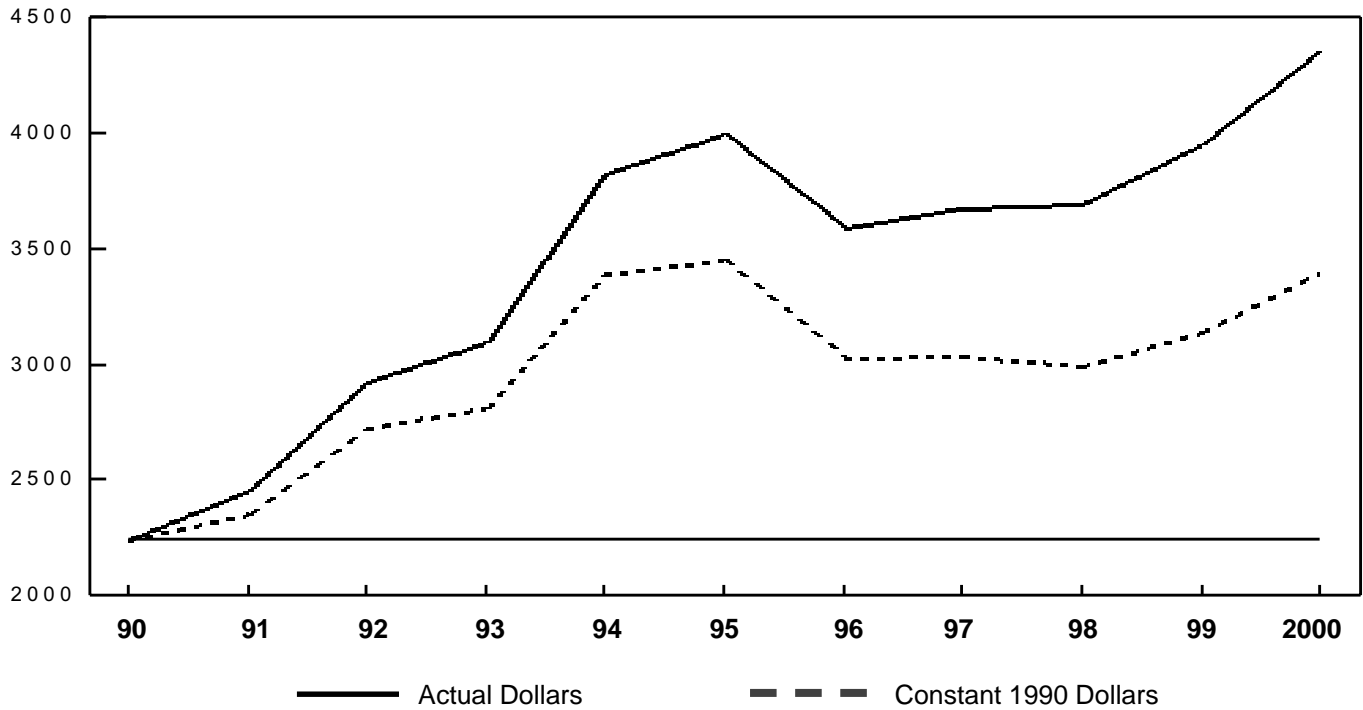
Department of Commerce
Change in Appropriations - Percent of Total
1999 vs 2000



Department of Commerce
Change in FTE - Percent of Total
1999 vs 2000

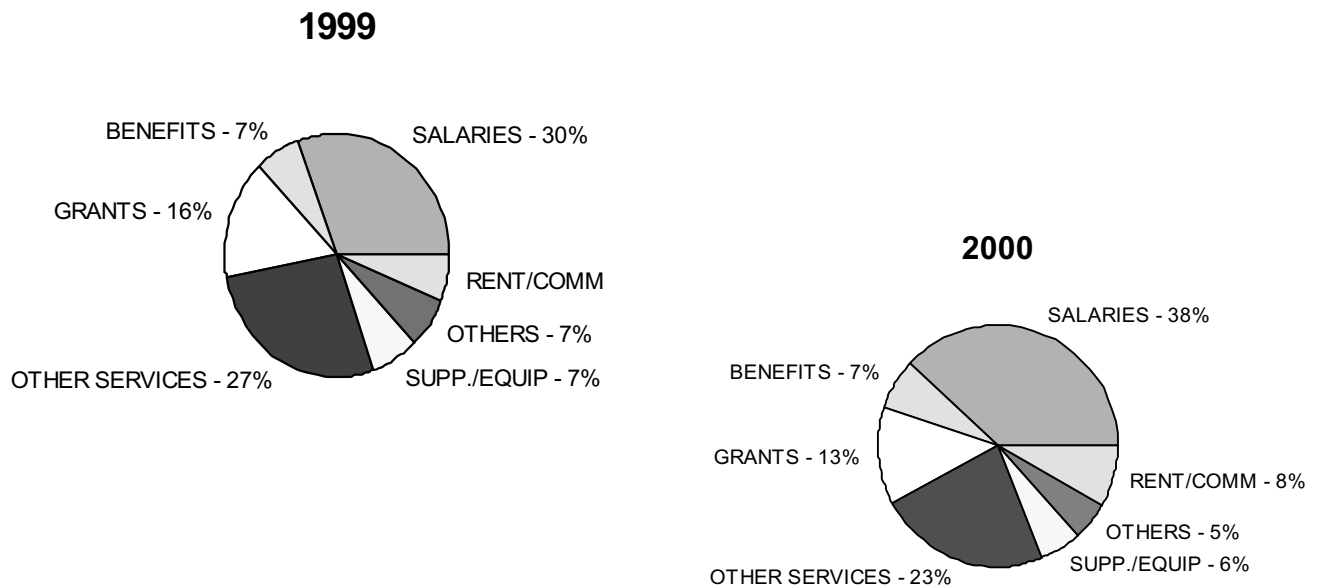


Department of Commerce Actual vs Constant Dollars 1990 - 2000



Excludes Periodic Censuses
FY 2000 constant 1990 dollar level approximates FY 1993 actual level

Department of Commerce Types of Expenditure - 1999 vs 2000



DEPARTMENT OF COMMERCE FUNDING AND EMPLOYMENT

	<u>1998</u>	<u>1999</u>	<u>2000</u> <u>Estimate</u>	Increase <u>(Decrease)</u>
BUDGET AUTHORITY				
Discretionary	\$4,165,321	\$5,067,225	\$7,191,793	\$2,124,568
Mandatory	(52,638)	72,702	79,602	6,900
TOTAL BUDGET AUTHORITY	4,112,683	5,139,927	7,271,395	2,131,468
OUTLAYS				
Discretionary	\$4,251,239	\$4,745,586	\$6,627,912	\$1,882,326
Mandatory	(204,585)	22,524	17,585	(4,939)
TOTAL OUTLAYS	4,046,654	4,768,110	6,645,497	1,877,387
FULL-TIME EQUIVALENT EMPLOYMENT	35,743	47,677 *	92,844 *	45,167
PERMANENT POSITIONS	32,850	35,452	36,373	921

BUDGET AUTHORITY -- FY 1998, FY 1999 AND FY 2000

(in thousands of dollars)

	<u>1998</u>	<u>President's Budget</u>		<u>Change</u>
	<u>Actual</u>	<u>1999</u>	<u>2000</u>	<u>1999 - 2000</u>
DISCRETIONARY				
General Administration	\$29,490	\$34,700	\$34,046	(\$ 654)
Inspector General	20,140	21,000	23,454	2,454
Economic Development Administration	362,028	413,073	393,350	(19,723)
Bureau of the Census	689,091	1,339,949	3,071,698	1,731,749
Economic and Statistical Analysis	47,499	48,490	55,123	6,633
International Trade Administration	299,430	285,014	305,431	20,417
Bureau of Export Administration	43,900	52,661	60,455	7,794
Minority Business Development Agency	25,000	27,300	27,627	327
United States Travel & Tourism Administration	(3,000)	(915)	0	915
National Oceanic & Atmospheric Administration	1,989,132	2,198,001	2,480,303	282,302
Patent and Trademark Office	(81,316)	(78,458)	(43,991)	34,467
Under Secretary / Office of Technology Policy	8,500	9,495	8,972	(523)
National Technical Information Service	0	1,000	2,000	1,000
National Institute of Standards & Technology	677,877	662,150	734,956	72,806
National Telecommunications & Information Admin.	57,550	48,765	72,369	23,604
SUBTOTAL, DISCRETIONARY	4,165,321	5,062,225	7,225,793	2,163,568
MANDATORY				
General Administration	739	700	700	0
Economic Development Revolving Fund	0	0	0	0
Bureau of the Census	10,000	10,000	10,000	0
National Oceanic & Atmospheric Administration	71,319	69,426	76,326	6,900
Subtotal	82,058	80,126	87,026	6,900
Offsetting receipts	(134,696)	(7,424)	(7,424)	0
SUBTOTAL, MANDATORY	(52,638)	72,702	79,602	6,900
PROPOSED FY 1999 SUPPLEMENTAL				
Discretionary				
NOAA-Operations, Research & Facilities	0	1,880	0	(1,880)
NOAA - Fishing Finance Program Account	0	3,120	0	(3,120)
SUBTOTAL, FY 1999 SUPPLEMENTAL	0	5,000	0	(5,000)
PROPOSED FOR LATER TRANSMITTAL				
Discretionary				
NOAA/ORF - Navigation Services Fees	0	0	(14,000)	(14,000)
NOAA/ORF - Fisheries Management & Enforcement Services Fees	0	0	(20,000)	(20,000)
SUBTOTAL, PROPOSED FOR LATER TRANSMITTAL	0	0	(34,000)	(34,000)
TOTAL, DEPARTMENT OF COMMERCE	4,112,683	5,139,927	7,271,395	2,131,468

OUTLAYS -- FY 1998, FY 1999 AND FY 2000

(in thousands of dollars)

	<u>1998</u>	<u>President's Budget</u>		<u>Change</u>
	<u>Actual</u>	<u>1999</u>	<u>2000</u>	<u>1999 - 2000</u>
DISCRETIONARY				
General Administration	\$32,459	\$34,528	\$33,679	(\$ 849)
Inspector General	20,032	21,137	23,160	2,023
Economic Development Administration	387,291	439,510	438,656	(854)
Bureau of the Census	618,808	1,237,429	2,837,586	1,600,157
Economic and Statistical Analysis	45,809	50,408	54,509	4,101
International Trade Administration	292,589	273,273	294,751	21,478
Bureau of Export Administration	43,184	53,432	58,684	5,252
Minority Business Development Agency	28,231	32,439	28,367	(4,072)
United States Travel & Tourism Administration	104	479	0	(479)
National Oceanic & Atmospheric Administration	2,102,838	2,062,481	2,337,690	275,209
Patent and Trademark Office	(56,251)	(201,381)	(169,568)	31,813
Under Secretary / Office of Technology Policy	6,536	21,878	9,663	(12,215)
National Technical Information Service	192	16,241	(675)	(16,916)
National Institute of Standards & Technology	668,113	631,874	650,828	18,954
National Telecommunications & Information Admin.	61,304	66,858	64,582	(2,276)
SUBTOTAL, DISCRETIONARY	4,251,239	4,740,586	6,661,912	1,921,326
MANDATORY				
General Administration	3,236	700	700	0
Economic Development Administration	(2,124)	(1,000)	(1,000)	0
Bureau of the Census	(76,404)	7,400	9,200	1,800
National Oceanic & Atmospheric Administration	5,403	22,848	16,109	(6,739)
Subtotal	(69,889)	29,948	25,009	(4,939)
Offsetting receipts	(134,696)	(7,424)	(7,424)	0
SUBTOTAL, MANDATORY	(204,585)	22,524	17,585	(4,939)
PROPOSED FY 1999 SUPPLEMENTAL				
Discretionary				
NOAA-Operations, Research & Facilities	0	1,880	0	(1,880)
NOAA - Fishing Finance Program Account	0	3,120	0	(3,120)
SUBTOTAL, FY 1999 SUPPLEMENTAL	0	5,000	0	(5,000)
PROPOSED FOR LATER TRANSMITTAL				
Discretionary				
NOAA/ORF - Navigation Services Fees	0	0	(14,000)	(14,000)
NOAA/ORF - Fisheries Management & Enforcement Services Fees	0	0	(20,000)	(20,000)
SUBTOTAL, PROPOSED FOR LATER TRANSMITTAL	0	0	(34,000)	(34,000)
TOTAL, DEPARTMENT OF COMMERCE	4,046,654	4,768,110	6,645,497	1,877,387

FULL-TIME EQUIVALENT EMPLOYMENT - 1998, 1999 & 2000

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Change</u> <u>1999-2000</u>
General Administration	748	962	1,035	73
Inspector General	192	218	230	12
Economic Development Administration	252	268	271	3
Bureau of the Census	10,113	19,617 1/	64,208	44,591
Economic and Statistical Analysis	492	537	570	33
International Trade Administration	2,115	2,313	2,413	100
Bureau of Export Administration	362	464	481	17
Minority Business Development Agency	89	120	120	0
National Oceanic and Atmospheric Administration	12,267	12,803	12,726	(77)
Patent and Trademark Office	5,300	6,358	6,801	443
Under Secretary / Office of Technology Policy	39	50	51	1
National Technical Information Service	338	424	400	(24)
National Institute of Standards & Technology	3,174	3,255	3,202	(53)
National Telecommunications & Information Admin.	262	288	336 2/	48
TOTAL, DEPARTMENT OF COMMERCE	35,743	47,677	92,844	45,167

1/ Includes 150 FTE not included in the President's Budget.

2/ Reflects an adjustment of -12 FTE from the President's Budget.

PERMANENT POSITIONS - 1998, 1999 & 2000

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Change</u> <u>1999-2000</u>
General Administration	916	1007	1,080	73
Inspector General	226	237	250	13
Economic Development Administration	253	261	265	4
Bureau of the Census	4,867	6,325	6,627	302
Economic and Statistical Analysis	559	578	622	44
International Trade Administration	2,484	2,548	2,684	136
Bureau of Export Administration	368	468	491	23
Minority Business Development Agency	133	133	133	0
National Oceanic and Atmospheric Administration	13,195	12,870	12,986	116
Patent and Trademark Office	5,889	7,061	7,289	228
Under Secretary / Office of Technology Policy	51	53	53	0
National Technical Information Service	456	456	432	(24)
National Institute of Standards & Technology	3,162	3,162	3,113	(49)
National Telecommunications & Information Admin.	291	293	348	55
TOTAL, DEPARTMENT OF COMMERCE	32,850	35,452	36,373	921